



1401 Main Street, Suite 900
Columbia, SC 29201

Phone: (803) 737-0800
www.regulatorystaff.sc.gov

shudson@regstaff.sc.gov

Shannon Bowyer Hudson
Counsel for ORS

February 13, 2018

VIA U.S. MAIL

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RECEIVED

FEB 16 2018

**PSC SC
CLERK'S OFFICE**

Re: Continuing Audit Information Request ("AIR") for Consolidated Docket Nos.:
2017-207-E (3rd Continuing AIR)
2017-305-E (2nd Continuing AIR)
2017-370-E (2nd Continuing AIR)

Dear Ms. Boyd:

Please find enclosed the South Carolina Office of Regulatory Staff's Continuing Audit Information Request ("AIR") for the consolidated dockets referenced above along with its cover letter which was served on South Carolina Electric & Gas Company and Dominion Energy, Inc. today.

Sincerely,

Shannon B. Hudson

Shannon B. Hudson

Enclosure

cc: Joseph Melchers, Esquire (via U.S. mail)
All Parties of Record in Docket No. 2017-305-E (via e-mail)
All Parties of Record in Docket No. 2017-207-E (via e-mail)
All Parties of Record in Docket No. 2017-370-E except William T. Dowdey (via e-mail)
William T. Dowdey (via U.S. mail)



1401 Main Street, Suite 900

Phone: (803) 747-0800

shudson@regstaff.sc.gov

Shannon Bowyer Hudson
Counsel for ORS

February 13, 2018

VIA ELECTRONIC MAIL

K. Chad Burgess, Esquire
South Carolina Electric & Gas Company
220 Operation Way-MC C222
Cayce, South Carolina 20033-3701

Lisa S. Booth, Esquire
Dominion Energy Services, Inc.
120 Tredegar Street
P.O. Box 26532
Richmond, Virginia 23261-6532

Re: Continuing Audit Information Request ("AIR") for Consolidated Docket Nos.:
2017-207-E (3rd Continuing AIR) ¹
2017-305-E (2nd Continuing AIR) ¹
2017-370-E (2nd Continuing AIR)

Dear Mr. Burgess and Ms. Booth:

Please find enclosed and served on you South Carolina Office of Regulatory Staff's ("ORS") Continuing Audit Information Request as referenced above. Please note that pursuant to S.C. Code § 58-4-55(A), ORS requests that the responses be provided under oath. ORS also asks that individual responses be provided early if they are completed prior to the due date.

(Continued...)

¹ A First Continuing Audit Information Request for Records and Information Pursuant to Commission Order Nos. 2017-769 and 2017-770 was sent to SCE&G and has been responded to. Commission Order Nos. 2017-769 and 2017-770 were issued in Docket Nos. 2017-305-E and 2017-207-E. The First Continuing Audit Information Request for Records and Information Pursuant to Commission Order Nos. 2017-769 and 2017-770 is being treated as a chronology separate and apart from the AIRs referenced above. For clarity, Dominion Energy, Inc. was not served the AIR issued pursuant to Order Nos. 2017-769 and 2017-770 or the 1st Continuing AIR in Docket No. 2017-207-E.

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PSC SC
CLERK'S OFFICE

K. Chad Burgess, Esquire
Lisa S. Booth, Esquire
February 7, 2018
Page 2

Sincerely,

Shannon B. Hudson

Shannon B. Hudson

Enclosure

cc: Matthew W. Gissendanner, Esquire (via e-mail)
Byron Hinson (via e-mail)

DOCKET NOS. 2017-207-E, 2017-305-E, AND 2017-370-E

[illegible]

I. INSTRUCTIONS

The South Carolina Office of Regulatory Staff ("ORS") hereby requests, pursuant to S.C. Code Ann. §§ 58-4-50(A)(2), 58-4-55(A), 58-27-160, 58-27-1570, 58-27-1580, and 58-33-277 that South Carolina Electric & Gas Company ("SCE&G" or "Company") and Dominion Energy, Inc. ("Dominion") (collectively the "Parties") provide responses in writing and under oath and serve the undersigned on or before March 1, 2018 to ORS at 1401 Main Street, Suite 900, Columbia, South Carolina, 29201. If you are unable to respond to any of the requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these audit requests, "identify" means, when asked to identify a person, to provide the full name, business title, address and telephone number. As used in these audit requests, "address" means mailing address and business address. When asked to identify or provide a document, "identify" and "provide" mean to provide a full and detailed description of the document and the name and address of the person who has custody of the document. In lieu of providing a full and detailed description of a document, a copy of the document may be attached with the identity of the person who has custody of it. When the word "document" is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

Wherever in this audit request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

IT IS THEREFORE REQUESTED:

- Pursuant to S.C. Code Ann. § 58-4-55(A) that responses be submitted under oath.
- That SCANA/SCE&G respond only unless Dominion is included in the request.
- All information shall be provided to ORS in the format requested.
- All responses to the requests below must be labeled using the same numbers as the requests.
- Unless otherwise agreed, the requested information shall be bound in 3-ring binders with numbered tabs between each question. The question should be reproduced at the beginning of each tab for the responses included. All exhibits shall be reduced or expanded to 8 ½" x 11" formats, where practical.
- If information requested is found in other places or other exhibits, reference shall not be made to those; instead, reproduce and place a copy of the requested information in the appropriate numerical sequence.
- Any inquiries or communications requesting clarification of the information requested should be directed to Dawn Hipp [803.737.0814], Anthony James [803.737.2090], Jay Jashinsky [803.737.1984], Jeffrey M. Nelson, Esquire [803.737.0823], or Shannon Bowyer Hudson, Esquire [803.737.0889] of ORS.
- This entire list of questions shall be reproduced and included in front of each set of responses.
- Unless otherwise set forth below, the Parties shall provide four (4) flash drives with each containing a set of the responses, and seven (7) paper copies/binders of responses to ORS. In addition it is requested that the Parties provide working copies of all spreadsheets (not in Adobe) with all formulas and calculations intact to ORS.
- If the response to any request is that the information requested is not currently available, please state when the information requested will be provided to ORS. This statement is not a waiver of the deadline for all other responses.
- In addition to the signature and verification at the close of the Parties' responses, the Parties' witness(es), employee(s), contractor(s) or agent(s) responsible for the information contained in each response shall be indicated at the bottom of each response.
- This request shall be deemed to be continuing so as to require SCE&G to supplement or amend its responses as any additional information becomes available.

- Each answer shall incorporate the requested information for South Carolina Generating Company, Inc. ("GENCO"), where applicable.
- For responses regarding the V.C. Summer Units 2 & 3 Project (the "NND Project"), please provide all responses to reflect SCE&G's 55% participation where possible. Where this request is not possible, please clearly identify whether the responses reflect 100% or 55% dollars.
- The following Attachments are to be completed as requested below:
 - None

II. REQUESTS

- 2-1 Please answer the following regarding the interest rates under which SCE&G would have issued debt, had it done so at the times specified. For each rate cited in the response, provide supporting documentation from financial entities, with specific support for each figure in the response. In answering this request, please exclude the effects of the general trend toward increases in interest rates. Additionally, please answer without reference to trading of already issued bonds and of other forms of debt securities.
- a. What would have been the coupon and effective interest rates for SCE&G's issuing Long-Term Debt securities, junior and senior, if these rates had been set the week before the downgrades by Moody's in its rating action of February 5, 2018? Is it reasonable to assume these rates would have been available to SCE&G?
 - b. What would the coupon and effective interest rates have been if the rates had been set a week after the action by Moody's? Please provide separately the discount on each (senior, junior) possible issuance, expressed as an interest increment, that would have been associated with such issuances. Also indicate further likely requirements by the financing entities, such as a requirement for interest-rate swaps.
 - c. Provide equivalent information for Short-Term Debt.
 - d. Has SCANA or SCE&G explored or solicited buyers for a debt security issuance within the past three months? If so, what were the coupon and effective interest rates SCANA or SCE&G expected with the issuance?
- 2-2 Has a SCANA, SCE&G, or Dominion Energy, Inc. employee, subsidiary employee, agent, affiliate or hired entity encouraged, asked, or otherwise caused financial analysts, banks or other lending financial institutions to refrain from issuing any statements or reports regarding: 1) risk or return related to the abandonment or merger, or 2) any actions of the South Carolina Legislature, the Public Service Commission of South Carolina, or the Office of Regulatory Staff?
- 2-3 Provide draft and final documents created between September 2015 to March 31, 2016 that reference Flour's 2016 Estimated-to-Complete Assessment.
- 2-4 Provide a copy of the Flour ETC 7-6-2017.doc.rtf with markups from Mr. Jeff Archie.

- 2-5 Provide meeting notes from the October 22, 2015 briefing by Bechtel to the leadership of Santee Cooper and SCANA.
- 2-6 Provide all non-privileged documents and correspondence from or to Mr. George Wenick.
- 2-7 Describe the work done by AECOM, provide written work product produced or caused to be produced by AECOM, and list by date the amount paid to AECOM or the entity that charged for AECOM's work.
- 2-8 Provide the total dollars spent for off-campus warehouses for material intended for use at the V.C. Summer nuclear construction project. Please itemize by cost categories per warehouse. Ex. rent/lease/loan payments, security, utilities, maintenance, etc.
- 2-9 Provide a list of offers of gifts made to SCANA and SCE&G executives by any V.C. Summer nuclear construction project contractors or vendors from 2008.
- 2-10 Using a 10.25% Return on Equity, list the Company's annual BLRA billed revenue by year for fifty (50) years calculated under the Base Request. Please also provide the sum for the fifty (50) years. Specify all relevant assumptions used in the calculation, such as the depreciation method and if taxes are included or excluded in the calculation. Provide the calculation in Excel spreadsheet format with live formulas.



Jeffrey M. Nelson, Esquire
 Shannon B. Hudson, Esquire
 Jenny R. Pittman, Esquire
 South Carolina Office of Regulatory Staff
 1401 Main Street, Suite 900
 Columbia, South Carolina 29201
 Telephone: (803) 737-0823
 (803) 737-0889
 (803) 737-0794
 Fax: (803) 737-0895
 Email: jnelson@regstaff.sc.gov
shudson@regstaff.sc.gov
jpittman@regstaff.sc.gov

February 13, 2018